

Message Text

UNCLASSIFIED

PAGE 01 WINNIP 00087 082352Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 COME-00 FEA-01 INT-05 L-03
CIAE-00 INR-07 NSAE-00 PA-02 PRS-01 USIA-15 OPIC-06
/061 W
-----090445Z 078358 /22

R 081920Z MAR77
FM AMCONSUL WINNIPEG
TO SECSTATE WASHDC PRIORITY 1838
INFO AMEMBASSY OTTAWA PRIORITY
AMCONSUL TORONTO PRIORITY

UNCLAS WINNIPEG 0087

E.O. 11652: N/A
TAGS: EMIN, CA
SUBJ: SASKATCHEWAN TO BUY SECOND POTASH MINE

1. HUDSON BAY MINING AND SMELTING OF TORONTO HAS AGREED IN PRINCIPLE TO SELL ITS POTASH ASSETS TO THE PROVINCIAL CROWN AGENCY, POTASH CORP OF SASKATCHEWAN, FOR DOLS 144 MILLION IN CASH, ACCORDING TO MAR 8 TORONTO GLOBE AND MAIL.

2. FOLLOWING DETAILS OF STORY WERE CONFIRMED TO US BY SPOKESMAN FOR SASKATCHEWAN'S POTASH SECRETARIAT:
-- PURCHASE PRICE IS DOLS 144 MILLION IN CASH.
-- SO FAR, THERE IS ONLY AGREEMENT IN PRINCIPLE, I.E., LETTER OF INTENT HAS BEEN SIGNED TO PROCEED TO WORK OUT PURCHASE AGREEMENT, EXPECTED TO BE COMPLETED IN NEXT 4 - 6 WEEKS. PROBABLE TAKEOVER DATE IS APRIL 15.
-- ASSETS TO BE PURCHASED INCLUDE SYLVITE MINE NEAR ROCANVILLE, MINING EQUIPMENT, REFINERY, COMPANY HOUSING IN ROCANVILLE, AND A WAREHOUSE IN VANCOUVER.

3. ALTHOUGH NOT PUBLIC YET, SPOKESMAN INDICATED THERE WILL ALSO BE AGREEMENT TO GUARANTEE TO SUPPLY FOR PERIOD OF 5 YEARS CERTAIN AMOUNTS OF POTASH AT CERTAIN PRICES TO TERRA INTERNATIONAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 WINNIP 00087 082352Z

CHEMICALS, A FERTILIZER COMPANY IN SIOUX CITY, IOWA, IN WHICH HUDSON BAY HAS 51 PER CENT INTEREST.

4. SYLVITE MINE HAS RATED CAPACITY OF 1.2 MILLION TONS PER YEAR, SAME AS DUVAL MINE WHICH SASKATCHEWAN ACQUIRED EARLIER. COMBINED PRODUCTION OF TWO MINES WILL GIVE PROVINCE CONTROL OVER

ABOUT 17 PER CENT OF TOTAL SASKATCHEWAN PRODUCTION OF 13 MILLION TONS/YEAR.

5. ACCORDING TO POTASH SECRETARIAT SPOKESMAN, FOLLOWING IS STATE OF PLAY INVOLVING OTHER POSSIBLE ACQUISITIONS:

-- ALWINSAL: VALUATION COMPLETED, PRELIMINARY TALKS HAVE TAKEN PLACE, BUT NO NEGOTIATIONS SO FAR.

-- CENTRAL CANADA POTASH: VALUATION NOT YET COMPLETED. NO DECISION YET ON WHETHER NEGOTIATIONS WILL TAKE PLACE.

-- ALLAN MINE: VALUATION BEGAN JUST LAST WEEK.

HUTSON

UNCLASSIFIED

NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am

Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: MINING INDUSTRY, PROCUREMENT

Control Number: n/a

Copy: SINGLE

Sent Date: 08-Mar-1977 12:00:00 am

Decaption Date: 01-Jan-1960 12:00:00 am

Decaption Note:

Disposition Action: n/a

Disposition Approved on Date:

Disposition Case Number: n/a

Disposition Comment:

Disposition Date: 01-Jan-1960 12:00:00 am

Disposition Event:

Disposition History: n/a

Disposition Reason:

Disposition Remarks:

Document Number: 1977WINNIP00087

Document Source: CORE

Document Unique ID: 00

Drafter: n/a

Enclosure: n/a

Executive Order: n/a

Errors: n/a

Expiration:

Film Number: D770080-0453

Format: TEL

From: WINNIPEG

Handling Restrictions: n/a

Image Path:

ISecure: 1

Legacy Key: link1977/newtext/t197703108/aaaaftap.tel

Line Count: 77

Litigation Code IDs:

Litigation Codes:

Litigation History:

Locator: TEXT ON MICROFILM, TEXT ON-LINE

Message ID: fb1828ad-c288-dd11-92da-001cc4696bcc

Office: ACTION EB

Original Classification: UNCLASSIFIED

Original Handling Restrictions: n/a

Original Previous Classification: n/a

Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a

Previous Classification: n/a

Previous Handling Restrictions: n/a

Reference: n/a

Retention: 0

Review Action: RELEASED, APPROVED

Review Content Flags:

Review Date: 16-Dec-2004 12:00:00 am

Review Event:

Review Exemptions: n/a

Review Media Identifier:

Review Release Date: n/a

Review Release Event: n/a

Review Transfer Date:

Review Withdrawn Fields: n/a

SAS ID: 2957555

Secure: OPEN

Status: <DBA CORRECTED> srp 970902

Subject: SASKATCHEWAN TO BUY SECOND POTASH MINE

TAGS: EMIN, CA

To: STATE

Type: TE

vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/fb1828ad-c288-dd11-92da-001cc4696bcc

Review Markings:

Margaret P. Grafeld

Declassified/Released

US Department of State

EO Systematic Review

22 May 2009

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009